



# San Diego City Attorney **MICHAEL J. AGUIRRE**

## **MEDIA ADVISORY**

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Contact: Maria Velasquez, Communications Director: (619) 235-5725 (pager & voicemail) [mvelasquez@saniego.gov](mailto:mvelasquez@saniego.gov)

### **AUDIO TAPES REVEAL PENSION *QUID PRO QUO* SCHEME BETWEEN SAN DIEGO EMPLOYEES' RETIREMENT SYSTEM BOARD MEMBERS AND CITY OFFICIALS**

**DATE AND TIME:** Today at 11 a.m.

**LOCATION:** City Hall  
202 C Street, 13<sup>th</sup> Floor Pressroom  
Downtown San Diego

City Attorney Michael Aguirre will brief the news media about a series of audio tapes from the San Diego Employees' Retirement System (SDCERS) Board meetings which clearly illustrate that employee pension benefit enhancements that were offered by the City in 1996 and 2002 were contingent on the SDCERS Board allowing the City to reduce its contribution into the retirement system. The deals are alleged to be illegal because they violate the San Diego City Charter's section 99 Liability Limit Law, which establishes the "pay as you go" principle as a cardinal rule of municipal finance; the State Constitution's conflict of interest law; and the California Constitution Article XVI, section 18, which requires a City to seek approval of voters before creating certain financial liabilities. Today, the City's employees' pension fund is facing a deficit of more than \$1.4 billion.

The audio clips include:

1. Then-City Manager Jack McGrory presenting Manager's Proposal 1 to SDCERS on June 11, 1996 and June 21, 1996;
2. Then-City Manager Michael Uberuaga presenting Manager's Proposal II to SDCERS on May 29, 2002; and
3. Then-Deputy City Manager Bruce Herring discussing Manager's Proposal II with SDCERS on June 21, 2002.

Copies of the transcripts will also be made available to the news media.

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1200 Third Avenue, Suite 1620, San Diego, California 92101-4188 (619) 236-6220